

Questions and Answers for: **Non-Profits** **Master Business License** **Department of Consumer and Regulatory Affairs**



The Master Business License Program streamlines the District's licensing procedures and requires all District businesses with \$2,000 or more in gross receipts, including non-profit organizations, to obtain a Master Business License.

1. Who must get a Master Business License?

Any business or individual, including a non-profit organization, that earns more than \$2,000 in gross receipts per year in the District.

2. Why do I have to get a Master Business License?

The Master Business License program was enacted into law by the D.C. City Council in April 1999 under the Omnibus Regulatory Reform Act (the Act). The program was designed to streamline the business licensing process, by consolidating different licenses into one license and providing a single renewal date.

3. What are "gross receipts"?

Gross receipts are the total amount of income received from all sources during an annual accounting period, without subtracting any costs or expenses.

4. Do I have to get a Master Business License if my organization has tax exempt status?

Yes. The Act specifically includes businesses that qualify for tax exempt status under District law. Section 47-2851.01(1)(A) defines "business" as "any trade, profession, or activitywhich pays, or is subject to the payment of taxes on earnings...to the District of Columbia, or which qualifies for tax-exempt status under District law."

5. What type of Master Business License do I need to get?

You should choose the business category that most closely matches the type of non-profit service or activity you conduct. Just like any other business obtaining an MBL, the purpose is to license the activity or service.

If you solicit funds for charitable purposes, you will have to apply for a Master Business License under the "Charitable Solicitation" category. This category is not available online, but the application is available at the Business License Center, 941 N. Capitol Street, NE, Room 1100.

6. Who needs to get a Charitable Solicitation registration?

The Charitable Solicitation registration requirement applies to any person or business that solicits funds for charitable purposes, with the following exceptions:

- You receive less than \$1,500 per year in contributions;
- You are a church or religious organization that has tax exempt status under § 501 of the Internal Revenue Code (you must register your tax exempt status at DCRA); or
- You make solicitations exclusively among members or employees of your organization.

7. What if I receive grants from the government (federal, state or local) or private sources, does that qualify as a “charitable solicitation”?

Based on DC Code Chapter 7, § 2-701, grants from the government qualify as a “solicitation.” DC Code § 2-701(3)(A) defines “solicitation” as “the request directly or indirectly for any contribution on the plea or representation that such contribution will or may be used for any charitable purpose, and also mean and include any of the following methods of securing contributions: (i) oral or written request...” Furthermore, § 2-701(5) defines “contribution” as “alms, food, clothing, money, subscription, credit, property, financial assistance, or donations under the guise of a loan of money or property.”

There is nothing in the definition that excludes grants. Consequently, if you receive grants from any source, public or private, you will need to get a Charitable Solicitation registration.

8. Is there a deadline for obtaining a Master Business License?

All businesses that were previously not required to get a license are encouraged to obtain an MBL during the amnesty period, which ends at the end of May 2003. After the amnesty period, businesses that operate without an MBL may be subject to fines of up to \$500.

If you are an existing license holder, your license will be converted to a Master Business License through the renewal process. You do not have to worry about getting an application, you will receive a renewal form in the mail. As long as you have a current license after the amnesty period expires, even if it is not a Master Business License, you will not be subject to a fine.

9. What are the fees associated with Master Business License?

- Existing license fee, e.g., \$160 for Charitable Solicitation license
- New Master Business License application fee (\$25) or Renewal application fee (\$15)
- Endorsement fee (\$5 each)

10. How long is my MBL good for?

Your Master Business License is valid for two years. You will receive a renewal form in the mail prior to your expiration date. The renewal fee is \$15, plus underlying license fee and endorsement fee, as applicable.

11. Where can I get more information?

- On the Internet – District’s Business Resource Center, www.brc.dc.gov, or DCRA’s website, www.dcrd.dc.gov.
- Email – mbi.infocenter@dc.gov.
- By Phone – Please call (202) 442-4311, Monday – Friday, 8:30 a.m. – 4:15 p.m.
- In Person – You may pick up applications at the Business License Center, located at 941 N. Capitol Street, NE, Room 1100, Monday – Friday, 8:30 a.m. – 4:15 p.m.

